BRITISH COLUMBIA

BC STATS Infoline

Issue: 99-10 5 Pages
March 12, 1999

tel (250) 387-0327
fax (250) 387-0329

All issues since 97-01 are on our website:
http://www.bcstats.gov.bc.ca

highlights

a weekly digest of recently released British Columbia statistics

Labour Force

- **Employment in British Columbia (seasonally adjusted) increased by 8,000 (+0.4%) between January and February, absorbing the number of people who entered the labour force during that period.** As a result, the unemployment rate remained unchanged at 8.1% in February. Both men and women experienced increases in full-time work. There were also improvements in the youth (15-24 year olds) labour market as employment increased slightly, while the number of youths looking for work declined.

  Employment in the country as a whole increased only slightly (+0.1%) in February. Newfoundland (+3.5%) and PEI (+2.3%) registered strong increases, while Quebec (-0.9%), Manitoba (-0.4%) and New Brunswick (-0.4%) experienced declines in employment. *Source: Statistics Canada*

- **Labour market conditions continued to vary significantly among BC's regions.** Employment in Kootenay region was up 10.1% (3-month moving average) over its February 1998 level, the twelfth consecutive monthly increase for the region. Employment in Mainland/Southwest (+7.6%) and Vancouver Island/Coast (+3.3%) regions also grew. The labour market in Cariboo region remained weak with a 7.1% decline in employment since February 1998 and the highest unemployment rate (15.5%) among the regions.
  Source: Statistics Canada

The Economy

- **The value of building permits issued by BC municipalities dropped 14.4% (seasonally adjusted) between December and January.** Permits totalling $254.1 million dollars were issued in January. Residential permits rose 7.8% in January, but builders continued to scale down their plans for non-residential projects. The value of non-residential permits was down 42.1%, marking the fifth time in the last six months that they have fallen.

  Canadian permits dipped 2.9% in January, due to a downturn in the value of planned residential construction activity (-7.5%). Permits for non-residential projects were up 3.2%. Building permits were down in all but four provinces, with the sharpest declines seen in PEI (-50.1%) and Saskatchewan (-43.2%). Newfoundland (+41.7%) and Manitoba (+29.8%) recorded the largest increases. *Source: Statistics Canada*

- **The cost of new housing in the province's two largest cities continued to fall in January.** Victoria's new housing price index (NHPI) dropped to 6.3% below the January 1998 level, and in Vancouver, the index was down 5.4%. Canada's NHPI rose 0.5%, led by a 5.6% gain in Calgary. Regina (+3.6%), Charlottetown (+3.4%) and Halifax (+3.0%) also saw relatively strong upward movement in new house prices.
  Source: Statistics Canada

Capacity Utilization

- **Canadian firms increased their use of existing capacity to 82.5% in the fourth quarter of 1998.** The upturn–the first since the third quarter of 1997–was largely due to a surge in the transportation sector, where capacity use jumped from 78.3% to 90.3% as plants stepped up production to rebuild depleted inventories in the wake of the GM strike last summer. In the forest sector, capacity use increased to 83.3%, but low world prices continued to depress mining activity. Crude petroleum and gas producers operated at just 72.5% of full capacity, and production at mines and quarries dropped to just under three-quarters (74.4%) of full capacity. Utilization rates were

Report **Diversification of Export Mix Accelerates in 1998**

Did you know...
Since 1989, there have been 26 reported incidents of alien abductions in Canada. Eight of them occurred in 1997. Last year, there were no abductions, but there was an increase in crop circle cases.

higher in the manufacturing (85.1%), construction (82.6%) and utilities (80.5%) industries.

Source: Statistics Canada

Public Sector Employment

- **During 1998, employment in British Columbia's public sector averaged 343,910, down 0.4% from 345,160 in 1997.** Health and social service institutions (+3.0%, to 82,150), post-secondary institutions (+0.2%, to 41,760) and crown corporations (+1.8%, to 33,070) were the only public sector employers to buck the trend toward a smaller workforce. Employment was down 5.6% (to 35,350) at the local government level, and there were fewer jobs in the provincial (-3.2%, to 42,480) and federal (-1.7%, to 33,860) governments. School boards employed 0.3% fewer workers (to 75,240) last year than in 1997.

  Source: SC, Public Institutions Division

- **Relative to the population, BC's public sector was the second-smallest in the country last year.** There were 86 public sector workers for every 1,000 residents of the province, six less than the national average (92). Ontario (83) was the only region with a leaner public sector. Alberta (88) also employed fewer public sector workers than the Canadian average.

  Institutions were the largest public sector employers in BC during 1998. For every 1,000 residents of the province, there were 49 people working in institutions: 20 in hospitals and other health care facilities, 19 in schools, and 10 in post-secondary institutions.

  Source: SC, Public Institutions Division and BC STATS

Illicit Drugs and Crime

- **One in four (16,868) drug offences reported in Canada during 1997 occurred in British Columbia.** Ontario (20,927) was the only province where more drug crimes were reported. BC's drug crime rate (426 per 100,000 population) was the highest of any province, and almost twice the national average. The Canadian rate was 222, and rates in other provinces ranged from 132 in Newfoundland to 236 in New Brunswick. BC has consistently reported the highest rate of drug crimes among the provinces since 1982.

  Source: SC, Juristat, Catalogue 85-002-XPE Vol 19 No 1

- **Police officers in British Columbia were less likely to file charges than law enforcement officials in other parts of Canada.** Less than half (47%) of the people accused of drug crimes in BC during 1997 were charged. The charge rate for cannabis incidents was 35% and for other drugs (excluding cocaine and heroin), it was 36%. This compares to charge rates of 79% and 81% in the rest of Canada.

  Source: SC, Juristat, Catalogue 85-002-XPE Vol 19 No 1

- **Most (12,127, or 72%) of the drug offences reported in BC during 1997 were related to the possession (8,760), cultivation (2,088), trafficking (1,223) and importation (56) of cannabis.** Cannabis growers in BC were the most active in the country. Almost a third (31%) of Canadian offences related to cannabis cultivation during 1997 occurred in BC.

  Source: SC, Juristat, Catalogue 85-002-XPE Vol 19 No 1

Computer Use

- **One in three (33.6%) BC residents were hooked into the Internet in 1997.** Alberta (34.5%) and Ontario (33.2%) were the only provinces with a similarly high usage rate. The national average was 29.4%. Quebec (20.1%) residents had the lowest usage rate in the country.

  British Columbians were most likely to communicate by computer at work (21.2%), but home use (19.9%) was almost as common. They were less likely to go on-line at school (9.6%) or in a library (4.5%). *Source: SC, Catalogue 11-010-XPB, February 1999*

- **Among Canadians who were regular home users, browsing the Web (84.7%), searching for information (84.4%) and writing or receiving e-mail (83.1%) were the most common activities.** One in five (19.6%) use a computer for electronic banking. Despite all the hype about electronic merchandising, just 9.2% of home users said they had purchased something on-line.

  Source: SC, Catalogue 11-010-XPB, February 1999

highlights, Issue 99-10
March 12, 1999

For data originating from Statistics Canada: data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the publication name or catalogue number.

March 12, 1999

Infoline Report: Diversification of Export Mix Accelerates in 1998

Contact: George Dufour / (250) 387-0376

Originally published in November 1998 issue, *Exports*. Annual subscription: $60 + GST

With British Columbia trade data now available for the first eleven months of 1998, the year has proven to be one of the best ever for diversification of the provincial export mix. November year to date exports show significantly higher proportions of value added and non-resource products than at any time since statistics have been available.

Some of this is because the values of forestry and metallic mineral product exports have been dropping with weak Asian markets and low world prices. But equally important have been the excellent gains reported for shipments of secondary manufactured products, including many that are independent of the province's natural resources.

The strongest export growth has been reported for agricultural commodities. For example, shipments of fruit products posted a 45 per cent rise in November year to date over the same months of 1997, climbing from $85 million to $124 million. Almost all of this went to the United States market, where a high valued U.S. dollar gave Canadian products a boost.

The exchange rate advantage was not the only reason agricultural exports experienced exceptionally fast growth. There was already a well established growth trend for British Columbia fruit and vegetable exports based on innovation and restructuring in the agricultural industry. The more recent commercial advantage presented by a high valued U.S. dollar simply accelerated this trend.

A notable example of change in the agricultural industry has been the greenhouse industry. The total area under greenhouse cultivation in British Columbia grew 164 per cent between 1990 and 1997, from 1.1 million to 2.9 million square metres. It has continued to expand in 1998 and was an important factor behind the 47 per cent jump in British Columbia vegetable exports to the United States between the January to November period of 1997 and the same period of 1998.

The motor vehicle industry has been another source of rapid export growth in 1998. November year to date exports of motor vehicles and parts were up 39 per cent overall, and up 51 per cent to the United States.

The industry in British Columbia is mainly concentrated in two large operations — the Western Star truck manufacturing operation at Kelowna, assembling heavy transport vehicles, and the Toyota wheel manufacturing facility at Delta, producing wheels for shipment to assembly plants in Japan, Canada and the United States. Other British Columbia manufacturers produce recreational vehicles, plastic and electronic part components and refitted or rebuilt vehicles.

When all machinery and equipment exports are taken together, including motor vehicle products, electronic goods, and others, their combined value in November year to date was greater than for any export category except forest products. This is a much different picture than existed at the beginning of the decade.

The importance of machinery and equipment exports has risen steadily through the 1990s, as the portion of total exports concentrated in traditional resource commodities has fluctuated widely with price and volume changes. In 1990 machinery and equipment exports were valued at less than exports of coal, metallic minerals, newsprint, pulp or lumber. Rising steadily throughout this decade, machinery and equipment exports first surpassed newsprint exports in 1992. By 1993, they were greater than exports of both coal and metallic mineral products. November year to date figures indicate that 1998 exports of machinery and equipment have also exceeded the value of pulp exports for the first time.

Exports of plastic products and apparel goods also continued their long growth trend through to the last months of 1998. November year to date exports of plastics climbed 32 per cent over 1997, and exports of apparel goods rose 17 per cent.

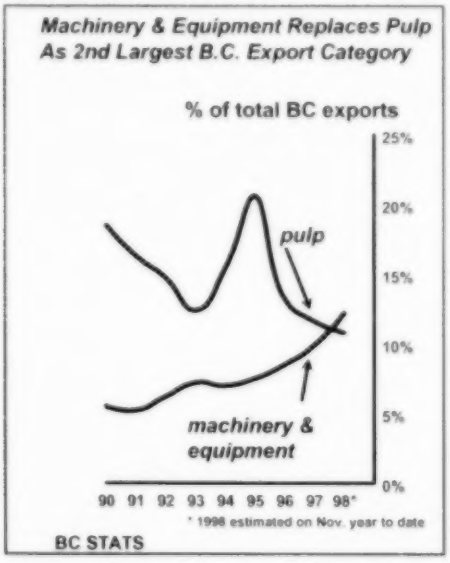
British Columbia producers in both industries are mainly smaller and more specialised than their more established eastern Canadian counterparts. And in both industries British Columbia producers have been quick to benefit from the more liberalised

continental markets under the North American Free Trade Agreement.

Apparel manufacturers in British Columbia have also benefited from links with Asia. Asian countries have been important both as sources of textiles, and as markets for finished products. Despite the downturn in Asia throughout 1998, British Columbia apparel exports have continued to expand at a healthy pace with the strong growth of the American economy.

Contrasting with these international trade success stories have been the sagging exports of the forestry and mineral industries.

Exporters of lumber and pulp faced low world prices for their standard commodities in 1998, and were unable to completely offset losses in Asian markets with gains in the United States market. Because lumber and pulp together still account for about 36 per cent of the province's total exports, their poor showing has dragged down the province's export performance in what otherwise would have been a year of solid export growth.

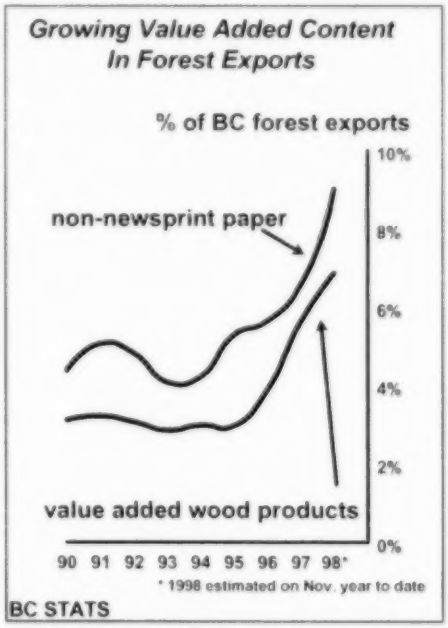


But even within the forest industry, there has been some good news in the diversification of export product mix. While lumber, pulp and newsprint exports were down significantly in November year to date, exports were up for value added solid wood products and for the more finished varieties of paper products.

While the value of lumber exports fell 20 per cent in November year to date, exports of value added wood climbed 8 per cent. Lumber exports suffered mainly from the collapse of the Japanese market. Trade losses in Japan and other Asian markets could not be made up by increasing sales in the U.S. market because of the quota restrictions of the Canada – U.S.A. Softwood Lumber Agreement.

These restrictions have not applied to value added wood products, which have now grown to account for 11 per cent of all solid wood exports, up from only 6% in 1990. At $829 million in November year to date, value added wood exports exceeded the value of newsprint exports, traditionally the province's third most important forest export commodity.

Pulp and newsprint exports fell 13 per cent and 11 per cent respectively in November year to date, but were largely offset by a 25 per cent rise in exports of other, more value added forms of paper products. These non-newsprint forms of paper amounted to 25 per cent of the total value of pulp and paper exports in November year to date, up from 9 per cent in 1990.



Infoline

March 12, 1999

fax transmission information service from **BC STATS**

also on the Internet at http://www.bcstats.gov.bc.ca

BC at a glance . . .

POPULATION (thousands)	Oct 1/98	% change on one year ago
BC	4,016.9	0.9
Canada	30,381.1	0.9
GDP and INCOME		
(BC - at market prices)	1997	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	109,347	3.3
GDP *($ 1992 millions)*	98,201	2.2
GDP *($ 1992 per Capita)*	24,775	0.1
Personal Disposable Income *($ 1992 per Capita)*	16,340	-2.3
TRADE ($ millions)		
Manufacturing Shipments (seas. adj.) Dec	2,948	4.9
Merchandise Exports (raw) Dec	2,160	4.1
Retail Sales (seasonally adjusted) Dec	2,752	-5.0
CONSUMER PRICE INDEX		
(all items - 1992=100)	Jan '99	% change on one year ago
BC	109.9	0.2
Canada	108.9	0.6
LABOUR FORCE (thousands)		
(seasonally adjusted)	Feb '99	% change on one year ago
Labour Force - BC	2,104	3.8
Employed - BC	1,934	5.7
Unemployed - BC	170	-14.2
		Feb '98
Unemployment Rate - BC *(percent)*	8.1	9.8
Unemployment Rate - Canada *(percent)*	7.8	8.6
INTEREST RATES (percent)	Mar 10/99	Mar 11/98
Prime Business Rate	6.75	6.50
Conventional Mortgages - 1 year	6.60	6.40
- 5 year	7.15	6.85
US/CANADA EXCHANGE RATE	Mar 10/99	Mar 11/98
(avg. noon spot rate) Cdn $	1.5239	1.4075
US $ *(reciprocal of the closing rate)*	0.6569	0.7101
AVERAGE WEEKLY EARNINGS		
(industrial aggregate - dollars)	Dec '98	% change on one year ago
BC	619.63	1.1
Canada	606.59	1.1

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Earnings } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bank-banque-canada.ca/english/wfsgen.htm

New on our site . . .

With each Census since 1986 we have created a statistical profile for Provincial Electoral Districts [PEDs]. As part of a forthcoming edition based on the 1996 Census we've created a set of single-page profiles for each PED in BC. Go to:

www.bcstats.gov.bc.ca/DATA/CEN96/ped96/ped96.htm ...[cont]

Also new . . .

Our Internet subscription service provides access to the electronic version of eleven statistical periodicals over the course of a year. To enhance this service **we are now providing access to an archive of covers and articles** from recently released issues. This service is only available to subscribers.

If you are undecided about the benefits of subscription, it may help to preview an older issue of the various items to be found in our subscribers only directory. Some of the items include only the cover or a sample section of the actual report. We will try to complete this work as time permits. For now, we hope it's enough to get you motivated to subscribe today!

Released this week by BC STATS

- No subscription releases

Next week

- Labour Force Statistics, February 1999

BC STATS, Min. of Finance & Corporate Relations, Box 9410 Stn Prov Govt, Victoria, B.C. V8W 9V1
Tel: (250) 387-0327 Fax: (250) 387-0329 Web: http://www.bcstats.gov.bc.ca E-mail: BC.Stats@gems8.gov.bc.ca